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12 *[Proposed] Counsel for Martifer Solar Aurora, LLC*

13 *and Martifer Solar USA, Inc.*

Electronically filed February 20, 2014

14 **UNITED STATES BANKRUPTCY COURT**

15 **DISTRICT OF NEVADA**

16 In re

17 MARTIFER AURORA SOLAR, LLC, a
18 Nevada limited liability company,

- 19 ☐ Affects Martifer Aurora Solar, LLC
20 ☐ Affects Martifer Solar USA, Inc.
21 ☒ Affects all Debtors

Case Nos. BK-S-14-10355-abl and
BK-S-14-10357-abl

Jointly Administered under
Case No. BK-S-14-10355-abl

Chapter 11

**SUPPLEMENTAL DECLARATION OF
KLAUS BERNHART IN SUPPORT
OF SECOND MOTION FOR ORDER
PURSUANT TO 11 U.S.C. § 364 AND
FED. R. BANKR. P. 4001(c): (I)
AUTHORIZING DEBTORS TO OBTAIN
POSTPETITION FINANCING; (II)
GRANTING RELATED RELIEF; AND
(III) SCHEDULING FINAL HEARING**

Hearing Date: February 21, 2014

Hearing Time: 9:30 a.m.

22 KLAUS BERNHART, being duly sworn, hereby deposes and declares under penalty of
23 perjury:

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25 1. I am over the age of 18, am mentally competent, and if called upon to testify as to the
26 statements made herein, could and would do so.
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1 2. I am the Chief Financial Officer of Martifer Solar USA, Inc. (“Martifer Solar USA”).
2 Martifer Solar USA holds no less than 99% of the membership interests in Martifer Aurora Solar,
3 LLC (“Aurora”, together with Martifer Solar USA, “Debtors” or the “Companies”), debtors and
4 debtors in possession in the above captioned chapter 11 cases (the “Chapter 11 Cases”). I am a
5 Manager of Aurora. I am authorized to submit this supplemental declaration in support of the
6 Debtors’ second motion to approve post-petition financing (the “DIP Motion”).¹

7 3. Except as otherwise stated herein, if called as a witness, I could and would
8 competently testify to the matters set forth herein from my own personal knowledge.

9 4. The foundation for my testimony herein and my qualifications are set forth in my
10 original declaration filed in support of the DIP Motion [Dkt# 87], the contents of which are
11 incorporated herein by this reference.

12 5. As of February 20, 2014, Debtors have on hand cash in the amount of \$317,943.49,
13 the majority of which is earmarked for the payment of specific project expenses. Aurora has just
14 received checks in the amount of \$2,309.27.

15 6. Debtors have exhausted the Emergency Advances provided by the Lender under the
16 Amended DIP Agreement, a final request for approximately \$20k of emergency advances was made
17 today but as of the date of this filing has not been received.

18 7. The Lender has stated that it will not provide further funding under the Amended DIP
19 Agreement without Court approval.

20 8. Although the Debtors have had promising discussions with potential third party
21 investors, they do not yet have any committed alternative source of postpetition financing.

22 9. During the week of February 24, 2014, Debtors need to make payments for
23 approximately \$123,850 in critical operating expenses (exclusive of payments to subcontractors and
24 vendors). Likewise, during the week of March 3, 2014, Debtors need to make payments for
25 approximately \$206,950 in additional critical operating expenses, including payroll (exclusive of
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28 ¹ Unless other defined, capitalized terms used herein shall have the meanings ascribed to
them in the DIP Motion.

1 payments to subcontractors and vendors). These payments are reflected in the Cash Budget attached
2 to the Amended DIP Agreement.

3 10. In addition, through the week of March 10, 2014, Debtors need to make over
4 \$375,000 in payments to critical vendors and subcontractors in order to preserve the viability of
5 certain projects and enable the collection of valuable accounts receivable. These payments need to
6 be made on account of new projects, projects that were in the nascent stages of construction pre-
7 petition. If Debtors are unable to make these critical new project payments, then they stand to lose a
8 potential net benefit to the estate of no less than \$450,000.

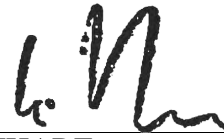
9 11. Additionally, Debtors urgently need to make approximately \$110,000 in payments to
10 close out certain projects nearly finalized and to make needed modifications to the projects held in
11 the Debtors' "Studios Solar" entities, which are among the most valuable assets of the estates. If
12 Debtors are unable to make these critical close-out and modification payments, then their ability to
13 collect a receivable of approximately \$1,200,000 will be impaired, in addition to jeopardizing the
14 value of one of the estates' most valuable assets.

15 12. Construction and completion of the Debtors' projects is essential to the Debtors'
16 ability to maintain its relationships with several of its long-standing national clients. I do not believe
17 that Debtors suffered irrevocable damage to these relationships to date, but I believe that result is
18 imminent absent the immediate ability for Debtors to assure clients of their ability to perform (which
19 requires certainty regarding the availability of postpetition financing).

20 13. I believe that Debtors' inability to perform on new and existing projects due to a lack
21 of funding would jeopardize project revenues and client relationships, and also threaten to increase
22 the universe of claims against Debtors' estates based upon asserted damages.
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1 I verify under penalty of perjury that the foregoing statement is true and correct to the best of
2 my information, knowledge and belief.

3 Executed this 20th day of February 2014.



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5 KLAUS BERNHART
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